



CAI
NR5
-2016



3 1761 11638706 9




GST

GOODS
AND SERVICES
TAX

SHOULD I
REGISTER?



Canada



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

RPO 3

Bill C-62, the proposed legislation on the Goods and Services Tax, received third reading and passed the House of Commons on April 10, 1990. Although this Bill has not yet received Royal Assent, Revenue Canada would like to help businesses and organizations prepare for the tax. Accordingly, while you are under no legal obligation to do so at this time, you are encouraged to pre-register by filling in the enclosed "Goods and Services Tax Registration Form".

La présente brochure sur la TPS est également disponible en français sous le titre DOIS-JE M'INSCRIRE?.

A Message to Canadian Businesses and Organizations

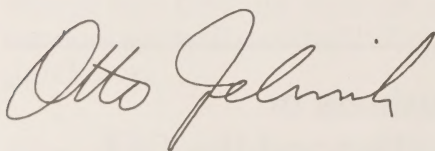
The Goods and Services Tax (GST) now before Parliament will, on passage by Parliament, replace the federal sales tax in Canada. It will require most businesses and organizations in Canada to register.

My department, Revenue Canada, Customs and Excise, will be responsible for administering the proposed GST. Our aim is to ensure that all Canadian businesses and organizations understand the proposed tax, are aware of the assistance available to them and are able to adapt to the changes should they come into force January 1, 1991.

This information pamphlet and registration form were prepared with the assistance of Canada's business community. It has always been my view, as a former small businessman, that those affected by change in government policy should play a key role in the consultation process.

Receipt of your completed registration form will allow us to provide you with additional information on some important features of the proposed tax, such as the federal sales tax rebate on inventory, input tax credits, the transitional credit for small business, and flexibility in GST filing requirements.

If you require assistance or have any questions, please contact an Excise office listed on the back cover of this pamphlet.

A handwritten signature in cursive script, reading "Otto Jelinek". The signature is fluid and elegant, with a large initial "O" and a long, sweeping underline.

Otto Jelinek
Minister

Printed under the authority of the Honourable
Otto Jelinek, Minister of National Revenue,
Customs and Excise

THE GST: PART OF THE GOVERNMENT'S PLAN FOR TAX REFORM

As part of tax reform, the federal government has introduced legislation to replace the current federal sales tax with the Goods and Services Tax (GST) on January 1, 1991.

For those businesses and organizations that did not receive a personalized form in the mail and want to prepare early, Revenue Canada, Customs and Excise, is providing this pamphlet which briefly explains the registration procedures for the proposed tax. If you received a **"SHOULD I REGISTER?"** booklet and form in the mail, please ensure you return your personalized form included in that package; not the one in this pamphlet.

Your business or organization and the GST

Under the proposed legislation, most businesses and organizations carrying out commercial activities in Canada will have to register for and collect the GST.

Many small firms that may not be required to register for the GST could find it to their advantage to do so.

The information in this pamphlet will help you decide whether or not to register.

It will answer other questions you may have about the GST, such as:

- How will the GST work?
- When will it come into effect?
- What goods and services would be taxed? Are any exempt?
- What are the benefits of registration?
- What help can I get?

Remember, we are ready to answer your questions about the proposed GST.

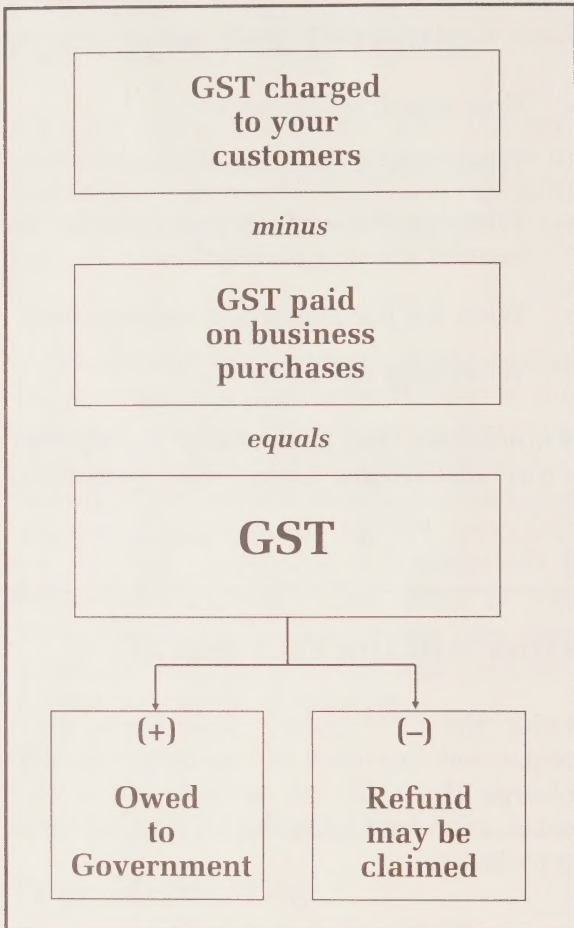
How will the GST work?

Once the GST comes into force, your registered business or organization **will charge** the GST on taxable sales and services and **will pay** the GST on business purchases.

After you have registered, you would prepare and submit a GST return at selected intervals showing the amount of tax you charged and the amount of tax you paid.

If the amount of GST charged is more than the amount paid, the difference would be owed to the Government. If the amount paid is larger, you could claim a refund.

The following chart shows how the GST works.



When will the GST come into effect?

Implementation is planned for January 1, 1991.

Should I register?

Under the proposed legislation, you MUST register for the GST if

- you are a person, business or organization with annual sales and revenues of GST-taxable goods and services over \$30,000

What are GST-taxable goods and services?

The majority of goods and services sold or provided in Canada would be taxable under the GST. Only a limited number would be tax-exempt, for example, day care, most health and dental services, and certain activities by charities and non-profit organizations. (See GST-exemptions on page 9.)

GST-taxable goods and services would be taxed at either 7 per cent or 0 per cent (known as zero-rated). It is proposed that zero-rated goods and services include the following items:

- basic groceries
- prescription drugs and medical devices
- most farm produce

- most farm livestock
- fresh-caught fish and seafood products, for human consumption
- exports

Any GST-taxable goods and services not zero-rated would be taxed at 7 per cent.

So, if you sell or provide GST-taxable goods and services of more than \$30,000 annually, you would need to register.

Calculating your GST-taxable sales and revenues

Your calculation of total GST-taxable sales and revenues would have to include your sales of zero-rated goods and services. Remember to include in your calculation charges you made for services such as labour, repairs and warranties.

Also, the sales and revenues from all associated companies would have to be included in your calculation.

Only by registering would you be able to recover the GST you pay on business purchases you make in the course of bringing your taxable product or service to market.

**GOODS AND SERVICES TAX REGISTRATION FORM**

See instructions before completing

Disponible en français.

Personal information provided on this form is protected under the provisions of the *Privacy Act* and is maintained in Personal Information Bank RCC/P-PU-065.

If a registration package was mailed to you, please ensure the personalized form contained in the package is completed and returned.

1. Full legal business or organization name

2. Trading name (if different from above)

3. Mailing address

4. Name of contact

Title

5. Telephone no. ()

6. Language preference

☐

English

☐

French

7. Annual GST - taxable sales and revenues (see instruction 1 if you are a partnership or a branch).



8. Office use only

9. Year end (M/D)

10. If your business or organization has branches or divisions, would you like them to file separate returns? (If yes, further information will follow.)

☐

Yes

☐

No

11. Briefly describe your major business activity.

12. Enter the numbers that apply to your operation

Taxation Corporate Account no. or S.I.N.

Payroll deduction account no. (only one)

Customs importer no. (only one)

13. Do you have an inventory of goods for resale? (If yes, enter the dollar value of your inventory from the last financial statement.)

☐

Yes

☐

No

\$

14. Do you sell groceries at the retail level?

☐

Yes

☐

No

15. Please check the appropriate box.

☐

1 Government

☐

5 University, School, Board, Hospital

School

☐

2 Registered Charity

☐

6 Joint Venture

☐

3 Non-profit Organization

☐

7 Not applicable

☐

4 Financial Institution

☐

8 Non-resident

DECLARATIONI, _____
(Print name)

declare that, to the best of my knowledge, all of the above information is true and complete.

Title

Signature of Proprietor, Partner, or in the case of an organization or corporation, an Authorized Officer.

Date

INSTRUCTIONS FOR COMPLETING THE GST REGISTRATION FORM

The following guidelines will help you fill out the registration form. The numbers in the left margin correspond to those found on the registration form. All businesses or organizations registering must fill out the form and sign the declaration at the bottom.

If your business or organization is not required to be registered, or if your total annual GST-taxable sales and

revenues are \$30,000 or less and you choose not to register, do not complete or submit this form.

Information on GST registration requirements is available in the pamphlet "**SHOULD I REGISTER?**" or from Revenue Canada Excise offices listed on the back cover of this pamphlet.

- | | |
|--|--|
| <p>1 Individual members of a partnership or branches/divisions of a company cannot register; only the partnership or company as a whole can register. The company's or partnership's total annual GST-taxable sales and revenues must be used in the calculation of item 7.</p> <p>2,3 Complete these items in detail.</p> <p>4,5 Enter the name, title, and telephone number of the person selected as your contact on GST matters.</p> <p>6 Choose the official language you wish to use for GST purposes.</p> <p>7 You must apply for GST registration when your sales and revenues of GST-taxable goods and services exceed \$30,000.</p> <ul style="list-style-type: none"> • If your total sales and revenues in any four consecutive calendar quarters exceed this amount, you will have until the end of the month following these four quarters before you must start collecting GST. • However, if you exceed this amount in any one calendar quarter, you must start collecting the GST as of the day you exceed this amount. <p>You may opt to register if you are below this amount. To register, complete the form and sign the declaration at the bottom.</p> <p>If you are a non-resident and charge directly an admission for a performance, you must start collecting the GST on the first taxable sale.</p> <p>8 For office use only.</p> | <p>9 For GST you can elect to use your business fiscal year end or your taxation year end. You may, however, elect to use your calendar year end.</p> <p>10 Answer yes only if you want some (or all) of your branches to file separate returns. You will be sent additional information with your registration confirmation.</p> <p>11 Briefly describe your major business activity (e.g., retailer of men's clothes, wholesaler of plumbing and heating supplies, hairdressing service, etc.).</p> <p>12 If you are a corporation, enter your Taxation corporate account number. If you are an individual in business by yourself, enter your social insurance number. If your business has employees, enter the main Taxation payroll deduction account number. If your business imports goods commercially, enter your primary Customs importer number.</p> <p>13 Enter the dollar value of the inventory of goods for resale from your most recent financial statement so that we can provide you with information on how to obtain your federal sales tax rebate.</p> <p>14 Indicate if you sell groceries at the retail level. If so, we will send you information about the streamlined accounting methods available to you.</p> <p>15 Check the box that best describes your operation.</p> <p>Please ensure you have signed the declaration and completed all items that apply to you.</p> |
|--|--|

**GOODS AND SERVICES TAX REGISTRATION FORM**
See instructions before completing**Disponible en français.**

Personal information provided on this form is protected under the provisions of the *Privacy Act* and is maintained in Personal Information Bank RCC/P-PU-065.

If a registration package was mailed to you, please ensure the personalized form contained in the package is completed and returned.

1. Full legal business or organization name

2. Trading name (if different from above)

3. Mailing address

4. Name of contact

Title

5. Telephone no. ()

6. Language preference ☐ English ☐ French

7. Annual GST - taxable sales and revenues (see instruction 1 if you are a partnership or a branch).

\$

8. Office use only

9. Year end (M/D)

10. If your business or organization has branches or divisions, would you like them to file separate returns? (If yes, further information will follow.)

☐ Yes ☐ No

11. Briefly describe your major business activity.

12. Enter the numbers that apply to your operation

Taxation Corporate Account no. or S.I.N.

Payroll deduction account no. (only one)

Customs importer no. (only one)

13. Do you have an inventory of goods for resale? (If yes, enter the dollar value of your inventory from the last financial statement.)

☐ Yes ☐ No

\$

14. Do you sell groceries at the retail level?

☐ Yes ☐ No

15. Please check the appropriate box.

- | | | |
|--|--|--------|
| 1 <input type="checkbox"/> Government | 5 <input type="checkbox"/> University, School, Board, Hospital | School |
| 2 <input type="checkbox"/> Registered Charity | 6 <input type="checkbox"/> Joint Venture | |
| 3 <input type="checkbox"/> Non-profit Organization | 7 <input type="checkbox"/> Not applicable | |
| 4 <input type="checkbox"/> Financial Institution | 8 <input type="checkbox"/> Non-resident | |

DECLARATIONI, _____
(Print name)

declare that, to the best of my knowledge, all of the above information is true and complete.

Title

Signature of Proprietor, Partner, or in the case of an organization or corporation, an Authorized Officer.

Date

INSTRUCTIONS FOR COMPLETING THE GST REGISTRATION FORM

The following guidelines will help you fill out the registration form. The numbers in the left margin correspond to those found on the registration form. All businesses or organizations registering must fill out the form and sign the declaration at the bottom.

If your business or organization is not required to be registered, or if your total annual GST-taxable sales and

revenues are \$30,000 or less and you choose not to register, do not complete or submit this form.

Information on GST registration requirements is available in the pamphlet "**SHOULD I REGISTER?**" or from Revenue Canada Excise offices listed on the back cover of this pamphlet.

1 Individual members of a partnership or branches/divisions of a company cannot register; only the partnership or company as a whole can register. The company's or partnership's total annual GST-taxable sales and revenues must be used in the calculation of item 7.

2,3 Complete these items in detail.

4,5 Enter the name, title, and telephone number of the person selected as your contact on GST matters.

6 Choose the official language you wish to use for GST purposes.

7 You must apply for GST registration when your sales and revenues of GST-taxable goods and services exceed \$30,000.

- If your total sales and revenues in any four consecutive calendar quarters exceed this amount, you will have until the end of the month following these four quarters before you must start collecting GST.
- However, if you exceed this amount in any one calendar quarter, you must start collecting the GST as of the day you exceed this amount.

You may opt to register if you are below this amount. To register, complete the form and sign the declaration at the bottom.

If you are a non-resident and charge directly an admission for a performance, you must start collecting the GST on the first taxable sale.

8 For office use only.

9 For GST you can elect to use your business fiscal year end or your taxation year end. You may, however, elect to use your calendar year end.

10 Answer yes only if you want some (or all) of your branches to file separate returns. You will be sent additional information with your registration confirmation.

11 Briefly describe your major business activity (e.g., retailer of men's clothes, wholesaler of plumbing and heating supplies, hairdressing service, etc.).

12 If you are a corporation, enter your Taxation corporate account number. If you are an individual in business by yourself, enter your social insurance number. If your business has employees, enter the main Taxation payroll deduction account number. If your business imports goods commercially, enter your primary Customs importer number.

13 Enter the dollar value of the inventory of goods for resale from your most recent financial statement so that we can provide you with information on how to obtain your federal sales tax rebate.

14 Indicate if you sell groceries at the retail level. If so, we will send you information about the streamlined accounting methods available to you.

15 Check the box that best describes your operation.

Please ensure you have signed the declaration and completed all items that apply to you.

Examples:

Registered Retailer

- would charge the GST on sales
- would receive a credit for the GST paid on goods for resale, advertising, electricity, office supplies, etc.

Registered Fisherman

- would not charge the GST on sales of fresh-caught fish (zero-rated goods), for human consumption
- would receive a credit for any GST paid on business purchases

Under the proposed legislation, you need NOT register for and collect the GST if

- you sell or provide **ONLY** GST-exempt goods or services

OR

- your annual GST-taxable sales and revenues are \$30,000 or less.

You may voluntarily register if you are in this latter category. By registering, you will be able to recover any GST you paid on business purchases, and your GST-registered customers will be able to claim credits as well.

Keep in mind that under the proposed legislation you will be required to register once your annual GST-taxable sales and revenues exceed \$30,000.

What are GST-exempt goods and services?

The GST would not apply when you sell or provide GST-exempt items, nor would you be entitled to claim a credit or refund for any GST paid on business purchases you make in the course of bringing your exempt product or service to market.

The following are proposed to be GST-exempt:

- long-term residential rents
- sales of used housing
- day-care services
- financial services

The following are proposed to be GST-exempt in certain circumstances:

- health and dental services
- legal aid services
- educational services
- activities by charities and non-profit organizations
- services by governments and other specified public bodies

Examples:

Universities and colleges

- GST-exempt - fees for instructions in courses leading to certificates or diplomas
- GST-taxable - charges for parking on campus

Charities and non-profit organizations

- GST-exempt - recreational programs for children and disabled individuals, and the provision of food, drink or accommodation for the relief of poverty, suffering or distress
- GST-taxable - catering services provided for a fee

Municipalities

- GST-exempt - water, garbage collection, fire and police protection, as well as non-optional municipal services, such as road building and maintenance
- GST-taxable - goods and services such as electricity, natural gas and charges for parking, as well as optional municipal services provided for a fee, such as snow or tree removal on private property

If all your activities are GST-exempt, you would not be required to register.

However, if you are involved in both GST-taxable and exempt activities, you would have to register if your annual GST-taxable sales and revenues exceed \$30,000.

Special rules

Partnerships and companies

Under the proposed legislation, companies and partnerships will have to register for the GST on an entity basis. In other words, **individual partners cannot register separately** for the GST. Likewise, a company's **branches and divisions cannot register separately**. In addition, partnerships and companies must register based on their total annual GST-taxable sales and revenues.

Charities, non-profit organizations, municipalities, public colleges, universities, school boards and hospitals conducting GST-taxable activities

For the most part, these organizations will be treated in the same way as businesses; if their annual GST-taxable sales and revenues are over \$30,000, they must register. However, unlike businesses, these organizations may apply to treat branches or divisions separately in calculating this \$30,000 amount.

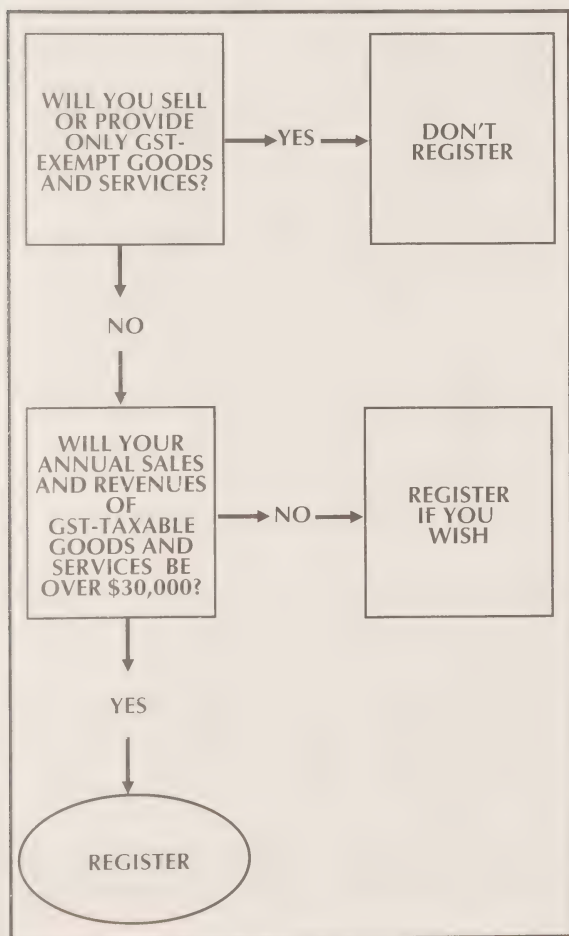
Non-residents

In some cases, non-residents doing business in Canada will have to register.

If you need help in applying these special rules, contact the Excise office nearest you.

Your registration decision chart

The following chart will help you decide whether or not to register, or if you qualify for optional registration.



Prepare early!

The earlier you submit the GST registration form, the sooner we will send you important information to help your business or organization plan for the proposed tax.

You will receive your GST number and information on:

- how to collect the GST, keep records, file returns, etc.;
- how to obtain a credit for GST paid on goods and services you buy to do business;
- how to obtain a refund of federal sales tax included in your inventory for resale as of December 31, 1990;
- how to receive a start-up credit for administering the GST if you are a small business; and
- what options are available to simplify GST procedures.

Fill in the GST registration form and return the “mail-in” copy to the Excise office nearest you, listed on the back cover of this pamphlet. A “working” copy and instructions for completing the form are included in this pamphlet for your records.

If you are not sure whether to register, contact an Excise office for assistance.

Some benefits of registration

Once you have registered for the GST, you will be eligible for these benefits when the proposed legislation comes into force:

- **Input Tax Credits** - You will be able to claim a credit for GST paid on your business purchases. If your credits are more than the GST owed to the Government, you may claim a refund for the difference.
- **FST Refund** - To avoid taxing the same goods twice, a one-time refund of the federal sales tax included in your inventory of goods for resale on December 31, 1990, will be provided to GST registrants.
- **Small Business Credit** - Small businesses that are required to register will be entitled to a one-time start-up credit of up to \$1,000 to ease the transition to the new system. The credit will be available to registered businesses and organizations with GST-taxable sales and revenues under \$500,000 during any three-month period beginning in 1990 or in their first fiscal quarter of 1991.
- **GST Credits for your customers** - It is important that you be registered so that your GST registration number can be shown on your invoices. Your GST-registered customers will then be able to claim their own tax credits.

What help can I get?

If you need assistance in filling out the form, Excise officials across Canada will be pleased to explain registration and other GST matters to you. Extra forms are available from any Excise office or local post office.

We will be helping businesses and organizations prepare for the proposed GST through seminars, on-site visits and toll-free telephone information services.

For more information, please refer to the back cover of this pamphlet for the addresses of Excise offices as well as their local and toll-free telephone numbers.

Notes

REVENUE CANADA EXCISE OFFICES

MAILING ADDRESSES

GENERAL ENQUIRIES

| | LOCAL | LONG DISTANCE |
|--|-------|------------------|
|--|-------|------------------|

NEWFOUNDLAND AND LABRADOR

P.O. Box 5500
St. John's, Newfoundland
A1C 5W4

(709) 772-2851 1-800-563-4950

NOVA SCOTIA

P.O. Box 1658
Halifax, Nova Scotia B3J 2Z8

(902) 426-1975 1-800-565-9111

PRINCE EDWARD ISLAND

P.O. Box 1658
Halifax, Nova Scotia B3J 2Z8

(902) 566-7272 1-800-565-9111

NEW BRUNSWICK

P.O. Box 1070
Moncton, New Brunswick
E1C 8P2

(506) 851-3727 1-800-561-6656

QUEBEC

P.O. Box 2117, Postal Terminal
Québec, Quebec G1K 7M9

(418) 648-4376 1-800-363-5254

P.O. Box 6092, Station "A"
Montréal, Quebec H3C 3H3

(514) 496-1494 1-800-361-8339

ONTARIO

P.O. Box 8257
Ottawa, Ontario K1G 3H7

(613) 990-8584 1-800-465-6160

P.O. Box 100, Station "Q"
Toronto, Ontario M4T 2L7

(416) 973-1000 1-800-461-1082

P.O. Box 5457
London, Ontario N6A 4L6

(519) 645-4041 1-800-265-0017

MANITOBA

P.O. Box 1022
Winnipeg, Manitoba R3C 2W2

(204) 983-4525 1-800-665-8749

SASKATCHEWAN

P.O. Box 557
Regina, Saskatchewan S4P 3A4

(306) 780-7279 1-800-667-8886

ALBERTA/NORTHWEST TERRITORIES

P.O. Box 1717, Station "M"
Calgary, Alberta T2P 4K4

(403) 292-6990 1-800-661-3498

P.O. Box 2296
Main Postal Station
Edmonton, Alberta T5J 4N3

(403) 448-1309 1-800-661-3498

BRITISH COLUMBIA/ YUKON

P.O. Box 82110, North Burnaby
Postal Station
Burnaby, British Columbia
V5C 5P2

(604) 666-4664 1-800-561-6990

HEARING DISABILITY

If you are deaf or have a hearing disability, and have access to a Telephone Device for the Deaf, telephone 1-800-465-5770 (in Canada only).

REGULAR HOURS OF TELEPHONE AND COUNTER SERVICE
Monday to Friday 8:00 a.m. to 5:00 p.m. (except holidays).

OTHER LANGUAGES

Some Excise offices offer help in languages other than English and French. Contact your Excise office for more details.

TOLL-FREE

(in Canada only) No charge to caller. Dial as directed.

ELECTRONIC DATABASE

If you have any difficulty accessing this "keyword" searchable database by modem at 1-800-267-4500 (in Canada or U.S.), contact your Excise office.